PUBLIC OPINION STRATEGIES

Peter D. HART RESEARCH ASSOCIATES

Medicare and Prescription Drug Focus Groups

Summary Report

Prepared
by

Public Opinion Strategies and
Peter D. Hart Research Associates

for
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THE HENRY J. KAISER FAMILY FOUNDATION

OVERVIEW AND METHODOLOGY

This study is based on a series of eight focus group discussion sessions on Medicare and prescription drugs conducted on behalf of the Henry J. Kaiser Family Foundation by Peter D. Hart Research Associates and Public Opinion Strategies.

Public Opinion Strategies and Hart Research are widely recognized as leading public opinion polling firms in the fields of politics and public affairs. Public Opinion Strategies provides research and strategic analysis for Republicans, while Hart Research does so for Democrats. This study was a true bipartisan collaboration in all of its aspects, with the two firms working in close cooperation on the development of the discussion guide, the recruitment specifications for the selection of focus group participants, and the analysis of the focus group findings.

The focus group sessions were held between June 4 and June 19, 2001, in four locations: Baltimore, Atlanta, San Diego, and Cincinnati. Each of the eight sessions lasted approximately two hours. Public Opinion Strategies and Hart Research each moderated four groups.

Four sessions were held with respondents ages 65 or older who are current Medicare beneficiaries. Two of these were held with respondents who were identified in pre-screening interviews as highly dependent on Social Security benefits for their monthly income, and two others were held with respondents who were identified as less highly dependent on Social Security. Two of the sessions conducted among Medicare beneficiaries included only female respondents, one session included only male respondents, and the fourth session included both men and women.

In addition to the sessions among Medicare beneficiaries, the study included two sessions with respondents between the ages of 35 and 49 and two other sessions with respondents between the ages of 50 and 64.

The recruitment process for all eight of the focus group sessions utilized a screening procedure that systematically excluded people with strong partisan affiliations from the sessions. Hence, the respondents who participated in the session were likely to be "swing voters" who are not inclined to have a party-line or highly ideological response to issues.

This report provides a summary of key findings. It also includes a description of each of the focus groups (Appendix A) and the discussion guide used to moderate the groups (Appendix B).

KEY FINDINGS

Perceptions of Medicare and Proposed Reforms

1. Overall, seniors are VERY satisfied with the Medicare system.

- ❑ Seniors are extremely happy with the way Medicare works for them, the choices available, the safety net it provides, and the quality of care they receive. This overall very high level of satisfaction with Medicare forms the backdrop for how they react to proposed changes to the system. They like what they have, but would like to have coverage of additional benefits such as prescription drugs or eye and dental coverage. They do not want structural reform that they perceive might jeopardize what they are already getting.

  "My particular experience is that [Medicare] has always been very well done." – San Diego, senior man.

  "They're very prompt in paying." – San Diego, senior woman.

  "I think it's pretty good like it is, but I would like to see drug coverage." – San Diego, senior woman.

  "I'm retired military. I get my medications free, and I still say they need to add a prescription drug plan." – San Diego, senior man.

  "You can't afford to be sick. Then Medicare doesn't pay for your eyeglasses, doesn't pay for your dentist, which is outrageous." – Cincinnati, senior woman.

- ❑ Younger participants are clearly much less informed about Medicare and have not given much thought to potential changes. What does concern them, however, is the long-term financial condition of the program.

  "I'm worried that Medicare will not be around for a very long time because you hear a lot of doom and gloom on declining or reduced benefits. And I guess I'm generally worried, because of the aging population, that it will be hit even harder and wonder whether there will be anything left." – San Diego, 50-64-year-old woman.

  "They are running out of money. That is the reason they are cutting services. I don't think that the Baby Boom Generation is going to have anything." – Baltimore, 35-49-year-old woman.

2. The generally high levels of satisfaction have a significant impact on the way in which respondents react to words used to describe proposed "changes" to the Medicare system.

- ❑ Words like "strengthened and improved" elicit overwhelmingly favorable reactions, while words that suggest a more significant departure from the current Medicare structure, such as "changed" or "privatized" are very negatively perceived. While not tested specifically in this segment, the word "guaranteed" also received a strong favorable reaction in general group discussion.

  "I think 'strengthened and improved' is taking the core system that works and making it stronger financially, and also making improvements you need to bring it up to date as far as prescriptions and things like that – choices in doctors and services." – Baltimore, 35-49-year-old man.

  "'Change' seems to mean that they were going to scrap the whole thing and start again. It usually goes downhill from wherever they start." – Baltimore, senior woman.

  "The problem with privatizing Medicare is these insurance companies will make the rules and you will live by them. You won't have any representative…If you go to an insurance company and tell them you don't like the way they're doing something, do you think they really care a lot?" – Cincinnati, senior woman.

  "I think that Medicare is not a commodity, and it shouldn't be subject to the market conditions…It has to be government regulated." – San Diego, 50-64-year-old man.

Participants were asked to select the phrase that gives them the most positive reaction and the phrase that gives them the most negative reaction. Tallies from the eight groups are presented in the table below:

PHRASE	Most Positive Reaction	Most Negative Reaction
Medicare should be strengthened and improved	45	1
Medicare should be preserved and protected	25	9
There needs to be more consumer choice in Medicare	21	13
Medicare should be updated	13	3
Medicare should be modernized	12	7
Medicare should be reformed	8	17
Medicare should be restructured	8	13
There needs to be more competition in the Medicare system	7	22
Medicare should be privatized	5	40
Medicare should be changed	2	16

- Phrases such as "there needs to be more choice in the Medicare program" and "there needs to be more competition in the Medicare program" receive a more mixed reaction. Respondents have a generally positive reaction to the word "choice" as a valued concept in our society, but do not immediately draw the connection as to what choice in the Medicare program would actually mean – they think of choice more in terms of choice of providers as opposed to choice of plans. Likewise, "competition" is a *non sequitur*. Participants do not readily draw linkages and do not understand how competition *could* be a part of the Medicare system.

  "'Choice' means a wider variety, in terms of doctors and in terms of hospitals, and also in terms of wider coverage. There would be more things covered." – Atlanta, 35-49-year-old man.

  "There was one reason I think you should have more choices in some of the procedures. I don't think that they cover some of the things that they damn well should." – San Diego, senior woman.

  "I'm not sure I understand. I need maybe a little more detail on what you mean by 'competition' and 'privatization.' It could be good, it could be bad." – Cincinnati, 35-49-year-old man.

  "I'm a little concerned about more competition…It sounds good but I don't know what the meaning is in this context." – Cincinnati, 35-49-year-old woman.

- ❑ When participants are asked to describe what altering the Medicare program means will happen, they clearly envision adding benefits (prescription drugs, dental, eye coverage) as opposed to structural reform. Structural reform meets much more resistance, but participants easily envision adding benefits. Words that imply some sort of structural change, such as "restructured" or "reformed" are perceived much less favorably, for example.

  "I think they ought to leave [Medicare] alone. I'm scared to death if they start messing around with it." –San Diego, senior woman.

A New Prescription Drug Benefit: The Price Tag

3. Participants suffer a severe case of sticker shock when they consider the price tag of a drug benefit program for seniors.

Regardless of the proposal discussed, participants are stunned that they offer a lot less coverage than they would have imagined at a much higher price for seniors.

- ❑ Virtually any premium and a co-payment of more than a few dollars seems extremely high to these participants. Even a premium of $25 as a hypothetical seemed high, and a $50 premium was perceived as out of reach for most seniors. Participants also envision a "catastrophic cap" of $4,000 on out-of-pocket drug costs for seniors as too high for many of today's seniors.

  "I think there are a lot of seniors that don't have an extra $50 per month." – San Diego, 50-64-year-old woman.

  "To me, that's unreasonable. That's ridiculous. The average seniors would not be able to afford that. It doesn't seem like it would be helpful for most people." – Atlanta, 35-49-year-old man.

  "I don't like any of [the plans]. They need to go back to the drawing board." – Atlanta, 35-40-year-old woman.

- ❑ Overall, participants were much more concerned with the costs to seniors than they were with the cost to the government in providing the benefit.

- ❑ Having conducted multiple groups, our impression is that, if offered a choice between higher premiums/lower co-pays and lower premiums/higher co-pays, consensus would most likely form around the premium being as low as possible given the strong preference for limiting seniors' out-of-pocket drug costs. Overall, seniors believe that a new drug benefit should be a cost-savings program, not one that forces them to pay additional costs.

- ❑ Participants clearly envision a drug benefit for seniors that resembles the coverage and the structure offered to most American workers today: a prescription drug card and a low co-pay per prescription. (The type of drug card described by President Bush in his recent proposal was not discussed in the groups.)

4. The budget surplus and the recent tax cut strongly influence perceptions about the affordability of a generous prescription drug benefit.

Given the current environment, participants do not blink at the idea of allocating significant government resources to pay for a new benefit. They presume that a benefit could be added without inflicting too much pain on seniors in the form of higher costs. In fact, the option of reducing the income tax cut for the highest tax bracket by 1 percent in order to increase the budget for a drug benefit was perceived as a fairly reasonable idea.

"You're getting it from the rich people to fund that. It's not really coming out of the government." – Cincinnati, 35-49-year-old man.

"They'd probably never miss it." – Baltimore, senior woman.

- ❑ As a caveat, however, while participants favored a reduction in the tax cut for the highest income bracket, they also do not view this as a politically feasible solution.

5. There was some support, particularly among younger group participants, for using a sliding scale to determine how much people should pay for their prescription drug benefit.

A perceived "fair" solution as to how much seniors should have to pay for a prescription drug benefit is a sliding scale model, where the amount a senior would be required to pay for a benefit would depend on level of income.

"Everybody should get a piece of the pie, but it's like a sliding scale. The richer you are the less you get. And the poorer you are the more you should get." – Cincinnati, 35-49-year-old man.

"I know a couple making $200,000. They're multi-millionaires, and yet they are getting Medicare. They are reducing the amount of money that is available in Medicare because they are taking it and they don't need it." – San Diego, 50-64-year-old man.

Who Should Be Covered?

6. *Participants generally believe that a prescription drug benefit should be available to all seniors, as opposed to providing for a more limited number of seniors most in need.*

Participants believe that seniors have already paid into the system through their years of work, and thus feel almost unequivocally that all seniors are equally deserving of a drug benefit regardless of their financial circumstances. They are also sensitive to the fact that seniors' health care—and thus their drug needs—can change at any time.

"All of our lives, most of us have worked and paid our taxes…I think a fair way is that everybody should get coverage if they need it."– Cincinnati, senior woman.

"You could be the person at that cutoff line that makes the difference. You make $5 more than the other guy, and he gets the benefit and you don't. But you paid your taxes all your life. The way I look at it, that money is in there, you should be taken care of or they shouldn't be taking it at all." – Baltimore, 50-64-year-old man.

"Prescription costs, no matter what the level of income you have, can reach catastrophic costs easily." – San Diego, senior man.

- ❑ Participants have a widely disparate view of what it means to be a "low-income senior," with a vast majority believing the poverty line for seniors to be well above $14,000, and with most estimating it to be in the $20,000 to $30,000 range.[1] Further, they believe that the poorest seniors are already covered under Medicaid, and thus it is the middle-income seniors who are most in need of assistance – they see these seniors as more vulnerable to the potentially devastating effects of a medical "catastrophe."

Who Should Administer the Benefit?

7. *Given their quite favorable views of Medicare, participants both presume and prefer that a new drug benefit would be administered within the framework of the current program.*

Offered a choice between the federal government (under the Medicare program), state governments, or private health insurance plans being responsible for administering a new prescription drug benefit, participants largely prefer the federal government. This is not necessarily because they are pro-government, but is more a reflection of their wanting to continue doing things the way they have always been done where Medicare is concerned.

- ❑ Participants have well-grounded, almost unshakable views on the government versus private debate that clearly color their view of who should administer a drug benefit. Participants readily "fill in the blanks" in identifying the pros and cons of

[1] The 2001 federal poverty level is $8,590 for an individual and $11,610 for a couple.

each entity administering the benefit. Moreover, with such well-established views, it is extremely difficult to move people to support a different position even after introducing additional arguments.

- The state government option is a clear non-starter. While the reality is that there would be a federal minimum benefit, respondents are quick to mention the potential for 50 different state plans, which they characterize as a very negative attribute.

  "My concern would be uniformity between the states. I feel more comfortable having the federal government handle it. I just feel that they'd do a better job. If it's uniform, it's probably going to be more equitable." – Atlanta, 35-49-year-old man.

- For senior respondents especially, having the federal government administer the drug benefit program is very appealing. They believe the Medicare program already provides for them quite effectively, and thus could readily and efficiently expand coverage to include a drug benefit.

  "They already know their agenda and have some knowledgeable and competent people." – San Diego, senior woman.

  "We're on Medicare anyway, so they have our names and all our information. Why not have them do the drugs, too?" – Baltimore, senior woman.

  "One thing is that the government is one large entity. They have more leverage against the drug companies." – Baltimore, 35-49-year-old man.

- Younger respondents do demonstrate at least some willingness to consider the private health plan model. This reflects their generally more skeptical view of the government and its ability to run any program efficiently and without significant waste.

  "Private insurance companies are run as a business. They're there to make a buck, period. So they're going to be a heck of a lot leaner with a lot less waste." – San Diego, 50-64-year-old man.

  "Part of the problem is that [Medicare] is not run like a business. It's a government agency that is poorly managed. The resources aren't managed properly. A lot of money gets wasted." – Baltimore, 35-49-year-old man.

8. Whoever administers a drug benefit, there is undeniable concern that either the federal government or private insurers could restrict seniors' access to prescription medicines.

A key view among participants is that there should be no undue restrictions on doctors' ability to prescribe medications for their patients. Any plan that is perceived as threatening the relationship between patients and their doctors will face tremendous resistance.

"I've actually seen this happen with other insurance companies, where the insurance company will dictate which medications you can take for a certain problem, which may not actually be the best medication for that individual." – Baltimore, 35-49-year-old man.

"It makes me think of a horror story of someone not getting the medicine they need because of the bureaucracy." – Baltimore, 35-49-year-old woman.

<u>Prescription Drug Prices</u>

9. While price controls are widely rejected as a method for reducing prescription drug costs, participants coalesce around the idea that it is paramount that seniors get the lowest possible prices for their medications.

- ❑ Participants have very negative associations with the idea of "price controls" as it conjures up images of government intrusion. However, they are alarmed at the high prices of medications.

  "I've seen people who had difficult times, either divide the medication or not take it at all and get food." – Baltimore, senior woman.

  "Prescription drugs are probably one of the most expensive things you've got right now, especially with a lot of the new medications coming out. Plans are so expensive, the cost is prohibitive if you've got to pay the whole amount out-of-pocket." – Baltimore, 35-49-year-old man.

10. Without prompting, a number of participants commented on the importance of drug companies having funding available for research and development.

- ❑ While they believe they are being overcharged for medicines compared to citizens of other developed countries, they realize the important role of additional research in developing breakthrough drugs.

  "It takes a lot of money to produce these things…And if their prices are too low, that's going to cut back on the research and the development of new drugs. To control prices, you may get inferior drugs produced or you may not get the latest of everything." – Baltimore, senior woman.

"If the federal government used price controls, you don't know if the drug companies would try to find better drugs. [The companies] wouldn't be getting the money in return that they are getting now, and maybe they wouldn't go into research." – Cincinnati, senior woman.

"They need to make all this money to do the research…We need the research." – Baltimore, senior woman.

- ❑ Nonetheless, participants strongly believe that, without assistance with prescription drug costs, many seniors face serious financial troubles. As a priority in developing a new drug benefit, participants want to significantly reduce the out-of-pocket costs that seniors pay for necessary medications. Even though many of the participants in the groups have drug coverage themselves, they are very sensitive to others' need for it and the challenges associated with not having adequate coverage.

APPENDIX A: METHODOLOGY

DATE	LOCATION	PARTICIPANT DEMOGRAPHICS	NUMBER OF PARTICIPANTS	MODERATOR
June 4	Baltimore, MD	Senior women, not dependent on Social Security	8	Public Opinion Strategies
June 4	Baltimore, MD	35- to 49-year-old swing voters, mixed gender	8	Public Opinion Strategies
June 11	Atlanta, GA	Senior men, dependent on Social Security	10	Hart Research
June 11	Atlanta, GA	35- to 49-year-old swing voters, mixed gender	10	Hart Research
June 12	San Diego, CA	Mixed gender seniors, not dependent on Social Security	10	Hart Research
June 12	San Diego, CA	50- to 64-year-old swing voters, mixed gender	10	Hart Research
June 19	Cincinnati, OH	Senior women, dependent on Social Security	10	Public Opinion Strategies
June 19	Cincinnati, OH	50- to 64-year-old swing voters, mixed gender	10	Public Opinion Strategies

APPENDIX B: FOCUS GROUP DISCUSSION GUIDE

I. INTRODUCTION (15 minutes)

Guidelines
Respondent introduction

II. TALKING ABOUT MEDICARE:

(FOR SENIOR GROUPS:)

Well, as you can (hopefully) tell, I am NOT yet on Medicare and was hoping today to talk to you about this topic. Let's just start this way. Let's say I lived next door to you and had seen something on the TV news about Medicare and asked you to tell me, "What is Medicare, how does it work, what would you say?"

SPECIFIC PROBES:

- What types of services are provided under Medicare?
- What types of services are NOT provided for under Medicare?
- Is Medicare accurately described as ... a government health care program for seniors ... or ... is it something different than this? (PROBE on prescription drugs)
- Where does the money come from to pay for benefits?
- What is working well about today's Medicare program?
- What does NOT work well ... are any changes required?

(FOR NON-SENIOR GROUPS:)

We're going to be talking about a specific topic tonight, and that topic is Medicare. Let's just start this way. Let's say I lived next door to you and had seen something on the TV news about Medicare and asked you to tell me, "What is Medicare, how does it work, what would you say?"

SPECIFIC PROBES:

- What types of services are provided under Medicare?
- What types of services are NOT provided for under Medicare? (PROBE on prescription drugs)
- Is Medicare accurately described as ... a government health care program for seniors ... or ... is it something different than this?
- Where does the money come from to pay for benefits?
- What is working well about today's Medicare program?
- What does NOT work well ... are any changes required?

FOR ALL:

Let's talk about Medicare's financial health:

- Is Medicare CURRENTLY financially sound?
- How about in the FUTURE, will Medicare continue to be financially sound in the future? (IF NOT:) When do you believe Medicare might run into financial troubles? What are some of the reasons it might have financial troubles?

III. WORDS & LANGUAGE REGARDING MEDICARE REFORM

Now, as you may be aware, Congress is considering "changing" Medicare. I sort of put "changing" in quotes like that because I want you to help me react to some different words or phrases that might be used.

Here are two words (written on easel) ... **changed and reformed**... which word sounds closer to what you would like to see happen to Medicare?

How is "changed" different from "reformed"?
If you add the word "comprehensive" to make it "comprehensive reform," how does that make the phrase different?
Please tell me what SPECIFIC things you think this means Congress might be considering.

The next three words are ... **modernized, updated, and restructured** ... which word sounds closer to what you would like to see happen to Medicare?

How is "modernized" different from "updated" and "restructured"?
Please tell me what SPECIFIC things you think this means Congress might be considering.

The next two phrases are... **strengthened and improved** ...and... **preserved and protected**. Which phrase sounds closer to what you would like to see happen to Medicare?

How is "strengthened and improved" different from "preserved and protected"?
Please tell me what SPECIFIC things you think this means Congress might be considering.

Now, we have two phrases ... **Medicare should be privatized ... there needs to be more competition in the Medicare system**... and...

One more phrase ... **there needs to be more consumer choice in the Medicare system**. Tell me your reaction to that phrase please.

Hearing that phrase, please tell me what SPECIFIC things you think this means Congress might be considering.
When you hear the word "choice," what does that mean to you?

POSITIVE IMPRESSION. Distribute sheet. If a Member of Congress were talking about Medicare which ONE word or phrase should the Member of Congress use to give you a POSITIVE impression of what he or she is proposing?

NEGATIVE IMPRESSION. Distribute sheet. What ONE word or phrase should the Member of Congress NOT use because it gives you a NEGATIVE impression of what he or she is proposing?

IV. MEDICARE & PRESCRIPTION DRUGS/CURRENT AWARENESS

Going back in time for a moment . . .

Does anyone remember what Al Gore was talking about last year during the election about prescription drugs? How about George W. Bush?

Now, can anyone tell me if they have seen, read, or heard any proposals from President Bush or Republicans in the House/Senate about what should be done about Medicare ... how about any proposals regarding prescription drugs?

And again, can anyone tell me if they have seen, read, or heard any proposals from the Democrats in the House/Senate about what should be done about Medicare ... how about any proposals regarding prescription drugs?

Are there any bipartisan plans you have heard about ... that is, some plan or proposal supported by BOTH Republicans and Democrats?

V. SPECIFIC MEDICARE CHOICES

Thinking some more about adding a prescription drug benefit for seniors, let's talk some more about some specific choices that might be considered.

A. WHO SHOULD ADMINISTER A DRUG BENEFIT ...

Initial Positioning

Now, one choice that needs to be made is who should be responsible for the

administrative aspects of providing a drug benefit. The choices being discussed include ... the federal government through the Medicare program, state governments, or private health insurance plans.

PROBE on EACH of the three options above:

- the advantages of this option
- any concerns you would have about this option

Okay, but if you HAD to select just ONE option, which ONE option would you select?

(THE FOR/AGAINST ARGUMENTS IN EACH SECTION WILL BE DISTRIBUTED ONLY TO HELP FACILITATE DISCUSSION.

Participants will be given one page with arguments FOR the federal government administering a drug benefit through Medicare on the left-hand side of the page and arguments against on the right-hand side of the page. (All statements are bulleted to represent a new argument.)

For/Against Arguments for Federal government through Medicare ...
Arguments FOR:

- A program that is already working to provide quality health care to America's seniors
- Provides health care no matter where a senior lives or which doctor they choose to visit
- Lower administrative costs than private insurance companies

Arguments AGAINST:

- Any federal program means waste and inefficiency
- A one-size-fits-all program without the choice or flexibility for seniors to pick what best meets their needs
- A bureaucracy with too many rules, regulations, and restrictions

For/Against Arguments for Private Health Insurance Plans ...
(IF NECESSARY: Participants will be given one page with arguments FOR the private health insurance plans administering the drug benefit on the left-hand side of the page and arguments against on the right-hand side of the page).

Arguments FOR:

- Offers seniors a choice of options and flexibility to meet their needs
- Just like the program offered to 10 million federal employees, federal retirees, and Members of Congress

- Seniors should have control over their health care
- Private health plans are more accountable to the people they serve than is the federal government
- Quicker and more efficient than the federal government

Arguments AGAINST:

- To make a profit, they could force seniors to pay higher premiums
- They could force seniors to switch to generic substitutes
- It's too risky – there is always the chance that they would drop seniors from coverage
- Seniors needs something more reliable and time-tested

B. WHO RECEIVES A PRESCRIPTION DRUG BENEFIT

Another choice that needs to be made is who should receive a prescription drug benefit...

Initial positioning

- Seniors with low incomes who today can not afford prescription drug coverage and any senior facing catastrophic, that is, unusually high drug bills
- Every senior as part of their guaranteed Medicare health benefits

PROBE on BOTH options above:

- the advantages of this option
- any concerns you would have about this option

Okay, but if you HAD to select just ONE option, which ONE option would you select?

(THE FOR/AGAINST ARGUMENTS WILL ONLY BE DISTRIBUTED TO HELP FACILITATE DISCUSSION)

(For this section, only one page is necessary, with arguments FOR low-income/catastrophic coverage instead of covering every senior on the left-hand side of the page and arguments FOR covering every senior instead of low-income/catastrophic coverage on the right-hand side).

Arguments FOR low-income/catastrophic:

- Helps the seniors that have to choose between food and medicine right now

- Not all seniors need financial assistance to pay for prescription drugs
- Medicare is already facing financial trouble in 15 years and a new benefit could push it into bankruptcy
- No one knows how much a drug benefit would cost – we should cover those most in need first and then expand the benefit to other seniors when the true costs are known

Arguments FOR covering everyone:

- Every senior should have access to reliable, guaranteed, and affordable drug coverage
- Seniors have paid Medicare taxes for 30 years and now it's time they see a benefit
- With a federal budget surplus, now is the time to offer seniors a safety net
- Even seniors that are not low-income could use help with prescription drug costs

C. DRUG PRICING

And, another choice that needs to be made concerns keeping control of the cost of prescription drugs. Here are some options being considered . . .

Initial positioning

- Federal government price controls
- Using the power of the federal government through Medicare to negotiate lower prices for America's 36 million seniors
- Making sure ALL seniors have the benefit of private drug coverage to use this group buying power to get the best prices.

PROBE on EACH of the three options above:

- the advantages of this option
- any concerns you would have about this option

Okay, but if you HAD to select just ONE option, which ONE option would you select?

(THE FOR/AGAINST ARGUMENTS WILL BE DISTRIBUTED ONLY TO HELP FACILITATE DISCUSSION. Participants will be given one page with arguments FOR federal government price controls on the left-hand side of the page and arguments against on the right-hand side of the page. A check box will appear next to each statement for participants to register what concerns them).

For/Against Arguments for federal price controls ...

Arguments FOR federal price controls:

- It's not fair to charge Americans three to five times as much for the same drug in Europe
- Pharmaceutical companies benefit from the research using federal funds, so they should not be charging such outrageous prices for drugs
- Drug companies should be able to make a profit, but their outrageous profits should be cut because it comes at the expense of seniors
- The U.S. should join with every other developed nation in the world and set a cap on drug prices

Arguments AGAINST federal price controls:

- Federal government price controls would severely and negatively impact the research pharmaceutical companies are conducting on hundreds of new medicines just for seniors
- Lack of money for research could delay the availability of new, potentially life saving drugs
- In America, the federal government should not be involved in setting prices for private companies

For/Against Arguments for the federal government through Medicare negotiating lower prices ...

(IF NECESSARY: Participants will be given one page with arguments FOR the federal government through Medicare negotiating lower drug prices on the left-hand side of the page and arguments AGAINST on the right-hand side of the page.

Arguments FOR:

- The federal government would have the power to negotiate on behalf of all of America's seniors which means fair and stable drug prices for every senior
- The federal government through Medicare would hire private pharmacy benefit companies that are already negotiating on behalf of millions of people and they would be able to pass on significant discounts to seniors

Arguments AGAINST:

- These federal government hand-picked companies, and not your doctor, would end up deciding what prescription drugs seniors can have access to
- They would operate like a federal HMO and reduce choices for seniors

- It would be easy for the government to save money by cutting back on paying for new breakthrough medicines seniors need

For/Against Arguments for making sure all seniors have private drug coverage and use this group buying power to get the best prices ...

(IF NECESSARY: Participants will be given one page with arguments FOR making sure all seniors have private drug coverage on the left-hand side of the page and arguments AGAINST on the right-hand side of the page.

Arguments FOR:

- Would offer seniors the same low co-pays and price breaks other insured Americans are receiving today
- Private companies would compete to get the lowest possible drug prices
- This type of plan already works today for America's 10 million federal employees, federal retirees, and Members of Congress

Arguments AGAINST:

- Insurance bureaucrats would save money by overruling doctors and forcing seniors to use generic substitutes
- They could refuse to pay for breakthrough drugs
- They could increase co-pays
- They are unreliable and could simply drop seniors from coverage

D. PLAN DISCUSSION

Now, there are a few different prescription drug plans being discussed in Washington. We're going to talk a little bit about each one...

Plan A

$50/month premium
$250 deductible
50% co-payment
$5,000 catastrophic
Costs $30 billion /year

Plan B

Covers just low-income (<$12,000 in annual income) and those that have catastrophic, that is, extraordinarily high drug bills (over $6,500/year)
No deductible
No premium
Costs $17 billion/year

Plan C

Would roll back the tax cut 1% on those in the highest tax bracket
Costs $50 billion/year
$25/month premium
$250 deductible
50% co-pay
$5,000 catastrophic

Plan D

$60-$70/month premium depending on the plan chosen
$250 deductible
25% to 50% co-pay up to $2,100/year depending on income (sliding scale)
$4,000 catastrophic

VI. LANGUAGE STATEMENT SORT

POSITIVE PHRASES:

Now, when Members of Congress and the President talk about Medicare reform, they use different words and phrases to describe their proposed plan. [Distribute Sheet] What we have here are different phrases that may be used to POSITIVELY describe changes in the Medicare system. There is one phrase per piece of paper. What I'd like you to do is put a "1" next to the phrase that gives you the most positive feeling about proposed changes to Medicare. Then, I'd like you to put a "2" next to the phrase that gives you the second most positive feeling about proposed changes to Medicare second. And, then, a "3" next to the phrase that gives you the third most positive feeling about proposed changes to Medicare.

- Expanded benefits under Medicare
- Medicare needs a new style of competition to reduce costs of prescription drugs
- Limiting seniors' out-of-pocket costs
- Innovation and choice for seniors
- A voluntary Medicare prescription drug benefit
- Prescription drug coverage in the same way seniors get their health care coverage in the time-tested, reliable, and familiar Medicare program
- Assistance to America's poorest seniors
- The same benefit for every senior
- Allowing seniors to select the plan that's best for them, just like 10 million federal employees do today
- Strengthens and improves the long-term financial stability of Medicare
- A guaranteed benefit seniors can rely on
- Drug coverage as good as what most workers in America get today
- Replace today's Medicare by giving seniors a government voucher so they can pick the health plan of their choice

NEGATIVE PHRASES:

[Distribute Sheet] What we have here are different phrases that may be used to NEGATIVELY describe changes in the Medicare system. What I'd like you to do is put a "1" next to the phrase that gives you the most negative feeling about proposed changes to Medicare. Then, I'd like you to put a "2" next to the phrase that gives you the second most negative feeling about proposed changes to Medicare.

- One-size-fits-all government-run program
- Allowing the federal government to decide what medicines can be prescribed for seniors instead of doctors
- Forces seniors to join an HMO to receive drug coverage
- Does nothing to force drug companies to lower their prices and profits
- Does nothing to strengthen the long-term financial health of Medicare for future generations
- More bureaucracy, rules, regulations, and restrictions
- Replace today's Medicare by giving seniors a government voucher so they can pick the health plan of their choice
- Private health insurance plans are unreliable
- Private health insurance plans are too risky, as they could dump seniors from coverage
- Allowing private insurance companies to decide what medicines can be prescribed for seniors, instead of doctors (Atlanta and San Diego groups only)

VII. CLOSING

Please turn the page in your booklets. I'd like you to write a postcard to your congressman about what is the ONE most important thing that Congress should do when dealing with the issue of Medicare and prescription drug coverage.

The Henry J. Kaiser Family Foundation
2400 Sand Hill Road
Menlo Park, CA 94025
650-854-9400 Fax: 650-854-4800

Washington Office:
1450 G Street NW, Suite 250
Washington, DC 20005
202-347-5270 Fax: 202-347-5274

www.kff.org

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